

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

June 22, 2004

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FROM: **ROGER WEAVER**, Director
 Fleet Management Department

SUBJECT: CREDIT CARD SERVICES AGREEMENT

RECOMMENDATIONS:

1. Authorize the Director of Fleet Management to execute a three-year agreement between the Fleet Management Department and Brennes-Jones Group, Inc., for the provision of credit card processing services, as on file with the Clerk of the Board.
2. Authorize the Director of Fleet Management to execute sub agreements with various credit card vendors for card acceptance rights, as on file with the Clerk of the Board.

BACKGROUND INFORMATION: On July 8, 2003, the Board authorized the Purchasing Agent and the Director of Fleet Management to apply for and negotiate an agreement with Brennes-Jones Group, Inc. as a sole source provider for credit card processing services. Southern California Gas Company (SCG) currently processes fuel charges for Fleet Management's compressed natural gas (CNG) customers. As of June 30, 2004, SCG will no longer provide this service. In addition to accepting credit cards for CNG, several external customers (e.g. Bureau of Land Management, U.S. Department of Forestry) requested that Fleet Management also begin accepting credit cards for other products and services.

Subsequent to the Board action on July 8, 2003, Fleet Management discovered other vendors that provide similar services. Quotes for services were requested from five vendors. Three responses were received. Of the three bidders, Brennes-Jones Group, Inc. was the selected vendor due to their extensive experience with the fueling system currently used by the County. The fueling system currently used is manufactured by Multiforce. The department learned that Brennes-Jones Group, Inc. provides credit card services for all entities in the western United States using the Multiforce system. Brennes-Jones Group, Inc. did not submit the lowest bid; however, the cost difference between Brennes-Jones Group, Inc. and the lowest bidder is approximately \$400 for one-time installation fees. All other costs are comparable.

Once systems and safeguards are in place, Fleet Management will have the ability to sell all types of fuel, parts and shop services to external governmental customers using credit cards. Brennes-Jones Group, Inc. will be responsible for processing all credit card transactions, billing customers, collecting payments, and resolving credit card related issues that may arise.

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The agreement with Brennes-Jones Inc. includes multiple sub-agreements with credit card vendors. These sub-agreements are required to ensure the County understands and agrees to each credit card vendor's terms and conditions regarding credit card acceptance. Additionally, some credit card vendors require an agreement for each site at which the County will accept their respective card. The sub-agreements do not bind the County to terms or additional costs not disclosed in this item. The three-year agreement with Brennes-Jones Group, Inc. ends June 14, 2007. Either party may terminate the agreement with 60-days written notice.

REVIEW AND APPROVAL BY OTHERS: This item has been reviewed by County Counsel (Dawn Stafford, Deputy County Counsel, 387-5471) on September 17, 2003; Purchasing (Aurelio De La Torre, Director, 387-2074) on March 3, 2004; Auditor/Controller-Recorder (Pat Sharrit, Chief Deputy Controller, 386-8855) on March 4, 2004; and the County Administrative Office (Daniel R. Kopp, Administrative Analyst, 387-3828) on June 14, 2004.

FINANCIAL IMPACT: In 2003-04, total estimated costs for software installation is \$1,300. Beginning in 2004-05, estimated annual costs (usage, statement, discount and transaction fees) are estimated at \$1,825. Costs will be paid from the Fleet Management budget (ICB VHS) and fully reimbursed through Board-approved rates charged to the department's customers.

COST REDUCTION REVIEW: The County Administrative Office has reviewed this agenda item, concurs with the department's proposal, and recommends this action based on the need to provide fuel and service billing for Fleet Management's external customers. Use of credit cards at the CNG stations will enable the County to continue to provide alternative fueling services, which reduces emissions.

SUPERVISORIAL DISTRICTS: All

PRESENTER: Roger Weaver, Director, 387-7870

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